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THE FORMATION OF "JAPANESE POLITICAL ECONOMY"

By EIJIRO HONJO

1. PREFACE

The problem of establishing Japanese political economy is one which calls for urgent attention, and there is much discussion as to its possibility and methods. It seems that the term of Japanese political economy is, generally speaking, interpreted in two different ways. According to one interpretation, it is political economy in Japan or political economy which has been studied by Japanese scholars in the particular country of Japan, while according to the other interpretation, it is political economy to be established on the basis of a life peculiar to Japan and in accordance with Japanese national consciousness, or, in other words, it is political economy based on the principle of Japan's natural conditions and her history since the country was founded. In my opinion, the problem of Japanese political economy in the latter sense is now claiming attention as an important subject for study. A great deal of further study is, no doubt, required before Japanese political economy in this sense can

be firmly established and put into perfect form, but in any case it appears that the research so far made was, generally speaking, too theoretical and abstract. In the present article, I propose to trace the course of its development from the point of view of the history of economic ideas. The number of Japanese scholars who have enunciated economic theories based on the natural, human and social conditions peculiar to this country so as to uphold the Japanese principle in economics is by no means small. Such economists were to be found even among scholars in the Tokugawa Age.

2. THE ORIGINAL CURRENT OF JAPANESE POLITICAL ECONOMY

As the study of ancient Japan found increasing favour in consequence of the steady growth of historical studies after the middle period of the Tokugawa Age, there appeared scholars who extolled the Japanese spirit in full appreciation of the peculiar and superior characteristics of Japan and in accordance with the ideas peculiar to this land, instead of adopting outlandish concepts like Confucianism. They strongly advocated the need for the return of the Japanese people to the Japanese ways of living. Such thinkers can be found even among the scholars in the early period of the Tokugawa Age, Yamaga-Sokō being a notable example. As a school of learning as opposed to Confucianism, Japanese classical learning (*kokugaku* 國學) may be mentioned. Dutch learning also deserves special mention in that its scholars were at once antagonistic to Chinese ideas and showed a good understanding of things Japanese.

(a) Japanese classical learning. The term of Japanese classical learning is essentially used in contradistinction to foreign learning. It presumably connotes the superiority of Japanese learning to foreign learning. It may be said that it made clear not only the spirit and tradition of Japan but the essential character of Japanese culture.

It is hardly necessary to say that Kamo-Mabuchi,

Motoori-Norinaga and Hirata-Atsutane were typical of the scholars of Japanese classics. In the book called *Kokuikō* 國意考, Mabuchi expatiated on the ethical principles of ancient Japan and urged his countrymen to return to the ways of ancient Japan, while Norinaga, in the *Naobi-no Mitama* 直毘靈 and the *Tamakatsuma* 玉勝間, further developed the ideas enunciated by Mabuchi. Norinaga deeply studied Japanese classics and made clear the essential traits of the Japanese people which are natural and realistic. Pointing out that the true feeling and sentiment of the Japanese people had been subverted by *karakokoro* or Chinese ideas, he urged that the Japanese people should recover their true traits and that the misdirected government of the country should be brought back into its regular course in accordance with the guiding principles of the State. Thus, Japanese classics came to acquire considerable significance as the fount of social ideas. Hirata-Atsutane not only developed Norinaga's ideas further but did much to advance the study of Japanese classics vigorously until it constituted itself the motive power of social reform. His high regard for things Japanese, coupled with his strong faith in Japan's superiority, caused him to attack Confucianism and Buddhism. He was particularly vehement in his denunciation of the evil practices of Confucian scholars, as his book, the *Ibuki oroshi* 伊吹於呂志, clearly shows. Not content with extolling the superiority of Japanese habits and traits, he expressed high discontent with the attitude of Japanese Confucian scholars who looked up to China and India as advanced countries. He took the stand that Japan was the cradle of religion and culture and that China and India and even the West followed the Japanese lead in these matters.

In short, the vigorous growth of the study of Japanese classics due to the efforts of Mabuchi, Norinaga and Atsutane did much to inculcate in Japanese minds the idea of the national polity by putting the characteristic features of the Japanese people in their true perspective. This means the establishment of Japanese learning, and, in practice, it came

to bear close relationship with the loyalist movement. On the other hand, this Japanese learning, as is seen in Norinaga's case, was deeply rooted in economic ideas. It may thus be said that Japanese classical learning furnished one source of the so-called Japanese political economy.

(b) Dutch learning. Next, Dutch learning calls for due attention. Honda-Toshiaki's ideas are fairly clearly expressed in his books, the *Seiki Monogatari* 西域物語, and the *Keisei Hisaku* 經世秘策. Although he seems to have been influenced considerably by Western ideas, he stressed the pre-eminence of Japan's national polity in this way: "Japan is a country much more honourable than China. Japan is ruled by an unbroken line of Sovereigns ever since the enthronement of the first Emperor Jimmu, nor has she ever been invaded by a foreign foe. It is absurd for the Japanese people who have such excellent national characteristics to copy after Chinese habits and customs." Unlike many Japanese scholars of his day who expounded Chinese learning by which they were influenced, he probed Japan's national characteristics from the progressive point of view of opening the country, though he lived in the exclusionist days, and indicated the way which Japan should follow in enriching and developing the country. It may fairly be said that he was a great economist who, with a clear grasp of the true characteristics of this country, enunciated a new theory of national development under the stimulus of the conditions then prevailing at home and abroad.

Next, Satō-Nobuhiro deserves attention. His ideas show a further improvement on Toshiaki's ideas. He imbibed not only Confucian learning and Japanese classics but the theories of Dutch scholars. Travelling far and wide in the country, he acquired a good knowledge of national conditions, and on the basis of this profound knowledge he evolved a State Socialist theory. Some people regard his theory as a mere castle in the air, but as is clear from his book, the *Tenchūki* 天柱記, he held Japanese divine codes and national polity in high regard, preached the superiority of Japan and

enunciated the point of view based on State Socialism in accordance with his idea of centring in Japan.

Besides the above, Ishida-Baigan's idea of *shingaku* 心學, Ninomiya-Sontoku's *hōtoku* 報德 idea, and the ideas of the Mito school may be said to be characteristically Japanese in their leanings.

The ideas I have described, which are economic ideas based on the Japanese principle, are the sources from which the so-called Japanese political economy has sprung. I shall defer any further discussion of this subject to a future occasion when I intend to deal with it at greater length.

3. JAPANESE POLITICAL ECONOMY IN EMBRYO

After the Meiji Restoration, the destruction of old customs and the importation of Western civilization became Japan's national policy, and the elimination of old, bad customs and the quest of knowledge far and wide in the world were the order of the day. In this way, the tendency to Europeanize all things permeated the country, and the quest of civilization became the slogan of the nation. In regard to political economy also, Western political economy was imported avidly, and the age of translated political economy set in.

(a) Nationalist ideas. Conservative and reactionary ideas always existed as against the free importation of new ideas, just as there existed such ideas in opposition to the policy of the Meiji Government to rid the country of old customs. In a memorial submitted to the Government for instance, Shimazu-Hisamitsu complained that "the prevalence of Western theories is threatening to shake the foundations of the country." Again, Sada-Kaiseki advocated the policy of encouraging domestic production against the importation of foreign goods, thereby preaching the necessity of protecting and fostering old industries. Their ideas may be regarded as conservative and reactionary but they were at the same time nationalist ideas of a sort.

In what is called the Rokumeikan age, the Government adopted the extreme policy of Europeanization. The underlying motive was to expedite the revision of treaties, but this Government policy provoked adverse criticisms from many quarters. For instance, Tani-Tateki, in a written view submitted to the Government, vigorously attacked this policy. He said: "Some people read Western books, adopt Western theories, imitate foreign ways and plagiarize articles written by Western scholars with even a show of pride. Some try to revise things which need not be revised. There are also some people who fancy that they have already attained a high level of civilization. Nothing can be more mistaken than the attitude of these people." As to the policy which the Government should adopt, he said: "The principles and policy which the Government has hitherto adopted should be abandoned once and for all. By giving up all idea of reliance on others, the Government should reform the domestic administration and strengthen the national defences." He further declared that in the event of war breaking out between rival countries in Europe, Japan should try to attain the leadership of East Asia. He thus warned the Government against its policy of imitating foreign ways slavishly, advising it to return to Japan's characteristically nationalistic ways of replenishing her armaments and strengthening her own defence.

In the *Hoshu Shinron* 保守新論, Torio-Koyata dwells on antagonism between nationalism and individualism. Contending that the state should not be allowed to be metamorphosed by the ideals of individuals, he declares that to import foreign culture is to destroy the culture of Japan's own. He says: "Let our own culture and systems reform themselves, so that the national development may be promoted. We are determined to defeat all attempts to alter the national constitution and destroy the national character through the medium of influences from outside." His idea was also a kind of nationalism.

The Seikyōsha 政教社, an association established by

Miyake-Yujirō and others, deserves special note as the sponsor of a thought movement based on nationalism. It remained in existence for thirty years, issuing a magazine called the *Nipponjin* 日本人 as its organ. It contended that the state exists through its historical and organic development. It is not a mechanical body of association like a joint-stock company. The state aims at the attainment of perfection in what is true, good and beautiful. What the state stands in urgent need of is, according to its opinion, "to increase its material wealth." It explains that by increasing material wealth, the national influence can be enhanced. "If the state is made rich, it can expand its armaments so that it will be able to face strong foreign powers fearlessly." The increase of the national influence is necessary to make Japan the leader of East Asia and to vindicate justice in the world. In a word, it is necessary to secure Japan's development as an independent state, it contends. This point of view is another expression of nationalistic ideas.

(b) Protectionist ideas. After the Restoration many books treating of Western political economy were translated into Japanese, but most of these books dealt with political economy based on liberalism. The fact that, notwithstanding the policy of extreme protection and interference adopted by the Government, political economy based on liberalism found special vogue is ascribable to the great enthusiasm shown by Japanese scholars over the study of British political economy in order to find ways and means of making Japan a rich and strong country like Britain. Accordingly, the British economic history was translated into Japanese from the early years of Meiji.

Protectionism as against liberalism was also known in Japan from early days. For instance, Wakayama-Giichi published his book, the *Hogozai Satsu* 保護税説 (Protective Tariff Theory) in the fourth year of Meiji (1871). Unlike liberalism, however, protectionism did not gain much influence, but partly because books on protectionist political

economy, written by Byles of Britain, Carey of America, and List of Germany, were translated into Japanese in a period between the tenth and twentieth years of Meiji and partly because the trade condition was unfavourable, Protectionist economic theories found some degree of vogue.

Liberal theories were rather universal and abstract and it seems that they were studied without regard to the conditions then prevailing. This was especially so in the case of Taguchi-Ukichi. It was rather among the advocates of Protectionism that we see concrete and realistic views expressed which took the factors of time, place and circumstances into due consideration. This can be seen in the controversy of Liberalism versus Protectionism which was carried on between Taguchi-Ukichi and Inukai-Takeshi. Inukai who refuted Taguchi's free trade theory denounced the latter's views as merely academic and stressed the necessity of knowing where "the special interests of the country" lay. He insisted that infant industries should be nurtured by means of protective duties. Further, pointing out that while in some countries protection was necessary, it was not necessary in some other countries, he made clear the protectionist policy was neither generally applicable nor absolute.

Ōshima-Sadamasu, who translated Marthus' "Essay on the Principle of Population" in 1876 and Jevons' "Money and Mechanism of Exchange" in 1882, translated List's "The National System of Political Economy" in 1889. He later wrote the *Jōseiron* 情勢論 (in 1891) and the *Keizai Sanron* 經濟纂論 (in 1900), in which his gradual conversion from liberalism to protectionism in principle is noticeable. In the *Jōseiron*, he writes: "The polity, law and economy vary according to the conditions of countries, either old or new, large or small, or strong or weak. The geographical position, climate, and customs and manners of countries are also factors which combine to influence them. For instance, what is good for England cannot necessarily be applied to France. Nor can what is beneficial to France be always

applied to Germany with the same good result. It is thus important that a country's economic policy should be formulated with due regard for its peculiar requirements conditioned by time and place. China, Japan and Korea are three old countries in Asia and there is much similarity in their culture, systems, customs and manners, but men of discernment will surely deny that the economy of these three countries can be regulated by exactly the same rules and principles. Much less can the same economic rules and principles be applied to Asia and Europe. It is, then, obvious that Japan and Britain cannot be ruled by the same economic principles. This notwithstanding, some Japanese students attempt to apply what they have read in a few English books on political economy to Japan, a country which is entirely different from Britain in conditions, physiography, wealth and strength. Their views can hardly be described as pertinent."

As will be seen from the above, advocates of protectionism, unlike those of liberalism, took the peculiar conditions of this country into due consideration, and their views may be said to partake somewhat of the character of nationalism.

(c) The idea of industrial development. The national policy invariably followed since the Meiji Restoration has been to put Japan on an equal footing with Western countries. This aim inspired the advocates of protectionism and liberalism alike. The slogan of *fukoku kyōhei* 富國強兵 (to enrich the country and to strengthen the national defence), which was in vogue in the early years of Meiji, had the same end in view. It was not enough to discuss theories for their own sake; it was necessary to study concrete methods for the putting into practice of theories in the light of actual conditions prevailing in this country. This necessity gave rise to the idea of industrial development. The Government was protectionist and interventionist to a marked degree in the policy it pursued in the early years of Meiji. Twenty-four volumes of *Kōgyō Iken* 興業意見 (Views on Industrial

Development), published in 1884, were the outcome of the endeavours made by the Government to establish a permanent industrial policy on the basis of the results of a careful study of both the actual industrial conditions and the causes which had brought about such conditions. It was Maeda-Masana, a Secretary of the Department of Agriculture and Commerce at the time, who led and supervised these investigations and the work was completed after four years of labour. He also published a book entitled *Shoken* 所見 (My Views) in 1892, in which he set forth the policy which he thought should be adopted in order to achieve industrial development. In this book, he says: "Japan has been ruled by an unbroken line of Emperors ever since the country was founded. The land belongs to the Emperor and all inhabitants are the Emperor's subjects. The relation of the Emperor and his subjects is most clearly fixed. It is entirely different from other countries where one dynasty replaces another from time to time and where the inhabitants constantly change their allegiance to new rulers of different dynasties who usurp power." "Some people are ignorant of the characteristic features of Japan. No sooner do they learn foreign languages than they become blind believers in the doctrines preached in foreign books. Without regard to Japan's peculiar idiosyncrasies, they attempt to apply to this country the rules which are adopted in other countries. Once constitutional government is introduced, they try to make the Japanese Government slavishly follow German ways in all matters or attempt to make the Japanese Diet a replica of British Parliament. This way of doing things has given rise to no end of trouble and evil...In short, the most urgent need of the moment is to acquaint the nation fully with the characteristic traits of this country." He thus urged the necessity of establishing firmly the national policy and fixing the order and methods by which it should be carried out in consonance with the conditions actually prevailing. He further says: "In their discussion of the problem of industrial development, people are apt to lay

undue stress on theories in disregard of the peculiar national conditions. They talk either of protection or of laissez-fairism light-heartedly. In some extreme cases, they attempt to subordinate industrial development to theoretical rules. Nothing can be more mistaken than this mental attitude. Theories make no discrimination between countries, but industry must take account of the peculiar conditions of the countries concerned. In seeking the industrial development of this country, care must be taken not to apply without modification the principles which are adopted in European countries where industry is already in an advanced stage. Some industries in this country may require protection while other industries may well be left to take care of themselves. Wise judgment based on a careful study of their kinds and the requirements of the moment are necessary in this regard. Since the Meiji Restoration the Government authorities have often paid little attention to these factors and accorded unwarranted protection to some industries on no stronger ground than their temporary sentiment, with the result which was generally disappointing. Due to this mistaken policy, academical controversies and mere theorizing are rampant now. All this is attributable, in the ultimate, to the fact that they are blind to national characteristics and conditions. Here is food for deep thought on the part of the Government authorities." This idea of Maeda may also be called notionalistic.

From the above-mentioned point of view, Maeda-Masana makes clear the conditions in this country, compares them with those in Western countries and urges concrete methods for the industrial development of the country. He says: "Industry is the source of national wealth. Anybody who desires to see the country grow rich and strong must give first attention to the development of its industry, and it must be remembered that the geographical position of the country, the characteristic traits of the nation, the degree of knowledge possessed by the nation, difference in climatic conditions, the state of national resources, the trends of the

times and the kinds of national products have all important bearings on the industrial development of the country." "The urgent need of the moment is to know the national characteristics and conditions which are of paramount importance for industrial development and to make the necessary discrimination between different industries and between the requirements of the times in regard to kinds of products. Instead of being propelled by hasty conclusions or temporary sentiment, the actual conditions of the country must be carefully investigated before establishing a fixed national policy."

In the first half of the Meiji era, Western political economy was freely imported into Japan and there was a strong tendency to apply this Western political economy to Japan universally and without modification. It is, therefore, very noteworthy that in spite of this tendency, there were some scholars who, as already mentioned, stressed the need of considering Japan's peculiar conditions in establishing the country's economic policy from the national point of view. This way of thinking should not be regarded merely in its relation to the question of the revision of treaties, to the controversy between the Free Trade and Protectionism or to the industrial development of the country. It is of far greater significance when it is viewed as a nationalistic economic idea in its fundamental conception. On the other hand, what I call "the official publications age" developed during the twenty odd years following the Meiji Restoration, and Government offices published not only translations of foreign books but books on Japanese finance and economy. This is another proof of earnest attempts made to grasp the phenomena peculiar to this country and study their development. It shows that instead of simply copying foreign political economy, there was an earnest attempt to establish political economy of Japan's own. These phenomena may well be regarded as having a relationship to the subsequent establishment of Japanese political economy. This period can be called the embryoic age of Japanese political economy.

4. THE BIRTH OF JAPANESE POLITICAL ECONOMY

(a) Establishment of modern political economy. After the Sino-Japanese War, Japanese economics witnessed development on modern lines, and the process of the so-called industrial revolution set in, culminating in the capitalization of industry in its true sense. In consequence, many noteworthy phenomena manifested themselves in the sphere of economic ideas. To begin with, the development of capitalism gave rise to a variety of social and economic problems, and as Japan had to learn much from Western countries in devising measures to cope with these problems, Western theories continued to be imported actively. Among these theories imported, the German political economy of the historical school and the theoretical political economy of the Austrian school stood out conspicuously. Through the importation of economic theories of the German and Austrian schools, a corrective was applied to the theories of the British and American schools which erred on the side of deduction and it was contended that inductive study was no less necessary than deductive methods. Among the eminent Japanese scholars who took this line were Kanai-Noburu, Tajima-Kinji, Fukuda-Tokuzō and Tsumura-Hidematsu, etc. The study of political economy in this period, unlike that in the previous period, was not confined to the translation of imported theories but it constituted a re-examination of imported economic theories in the light of the results of their thorough study. In other words, though it was imported political economy which formed the subject for study, Japanese scholars were no longer satisfied with its mere translation. They imported German and Austrian political economy in addition to British and American political economy which had already been imported, and these were enunciated and studied by the scientific systems which Japanese students themselves have elaborated. Modern political economy in this country was thus established. The *Saikin Keizairon* 最近經濟論 by Dr. Tajima, published in 1897,

and the *Shakai Keizaigaku* 社會經濟學 by Dr. Kanai, published in 1902, were among the best books written on economic principles in those days.

(b) The birth of Japanese political economy. Although political economy in Japan made good progress in consequence of the establishment of modern economics, as above-mentioned, this political economy was rather one which was largely theoretical, and not one which was established by taking the peculiar circumstances of this country into full consideration. Conscientious efforts were therefore made subsequently either to establish economic theories on the basis of Japan's peculiar conditions, natural, human and social, or to probe the character of the historical development of the country. In this way, Japanese political economy, which had germinated in the previous period, fructified in this period.

About 1910, Dr. Toda-Kaichi endeavoured to make clear fundamental differences in social conditions between Japan and Western countries by expatiating on the unegoistic nature of Japanese national characteristics. He writes: "Of all the causes responsible for the marked difference between Western and Eastern civilizations, nothing is more cogent than the fact that whereas the characteristic traits of Westerners are individualistic and egoistic, Japanese traits are unegoistic and public-spirited. The fundamental differences observable in such things as the national polity, the family system, customs and manners, religion and morality and literature and fine art are ascribable, in the ultimate, to the fact that whereas one is egoistic the other is unegoistic. Due to this point of fundamental difference, social progress in Western countries was achieved only after there had been the friction and attrition of much energy in the struggle for existence in the shape of a violent class war, while, on the contrary, social progress in this country was effected smoothly with accord maintained among all classes because the unity and accord among the influences of all sections of the nation had been maintained compara-

tively well from ancient times." Thus, in Japan parliamentary government, the local selfgovernment system and national ideas of right and duty have witnessed a development very different from those of Western countries. All this is ascribable to the difference in national characteristics between Western peoples and the Japanese nationals. In short, the fundamental difference in social conditions between them is traceable to the divergence in national characteristics in that one is egoistic and the other is unegoistic.

In articles on the economic policy which he published in magazines, the Doctor stressed, for instance, the need for the co-existence of agriculture, industry, commerce and military affairs. He also pointed out the necessity of developing industries peculiar to this country, contending, as he did, that the industrial development of this country since the Meiji Restoration followed too closely the lines of the industrial development of Western countries, and that little progress had been made in the industries peculiar to this country and in such industries as have important bearing on the daily life of the Japanese nation. In many other articles written also by him, we can see that his point of view was based on the Japanese principle. His books entitled the *Nippon no Keizai* 日本の経済 (Japan's Economy) and the *Nippon no Shakai* 日本の社会 (Japan's Society) deserve special mention.

It is hardly necessary to say that the study of the history of Japanese economics had a great deal to do with the establishment of Japanese political economy, and it may be said that it was after about 1897 that the study of the Japanese economic history was established. In this connection, a tribute must be paid to the services rendered by Dr. Uchida-Ginzō. In his articles on economic research, the Doctor emphasized that the study of Japanese economic history must be carried on side by side with comparative study. Not only did he urge the necessity of making clear the characteristics of Japan but he declared that the study of

Japan was the responsibility of Japanese scholars.

The Doctor stressed the continuity of the history of Japan, pointing out the eternal unchangeability of the national polity, the continuity of the Japanese race and the continuity of Japanese spiritual civilization. Explaining the peculiar characteristics of Japanese civilization, he declared: "Firstly, they were influenced by the natural and climatic conditions peculiar to Japan, secondly, they were influenced by the characteristic traits, spirit and ability of the Japanese nation or, in other words, the special traits of the Japanese people, and thirdly, they were influenced by the civilization inherent in Japan, which either acted on or linked itself to imported civilization, or otherwise somewhat modified what was imported from abroad." It is, therefore, with good reason that in his general survey of the history of Japan, he expatiated on the continuity of the Japanese history in its introductory remarks, then proceeded to discuss the climatic and other natural features of the country, the character of the nation, population, etc., lastly dwelling on the country's foreign relations, polity, society, economy, thought, etc.

In the belief that Japan has made a development of its own, being influenced by the national polity, national traits, climatic and other conditions, national ideas and other factors, the Doctor endeavoured to grasp the national characteristics. In his study of the Japanese economic history, he made clear the essential character of the economic history of the country, explained big historical events in their causal relationships and probed the reason of growth and development, thereby establishing Japanese economic history as a branch of science. The establishment of the Japanese economic history in this way as a branch of science had a great deal to do with the establishment of Japanese political economy. It is not without reason that the study of Japan made a vigorous growth in subsequent years.

5. DEVELOPMENT OF JAPANESE POLITICAL ECONOMY

Since the last World War Japanese economy has witnessed remarkable growth, followed by the development of various conditions incidental to a period of transition. In this period, political economy underwent a big change accordingly. Social ideas deserve special notice as economic ideas imported from Western countries in the period under review. There was a vigorous development of the democratic movement about 1918 and after, which was followed by the growth of socialism. After the Russian Revolution of 1917 the Marxist study and movement grew, and much activity was shown either in the way of a theoretical study of Marxism, the materialistic conception of history and a Leftist or proletarian party movement. On the other hand, many critics and opponents of these ideas which are incompatible with the ideas inherent in Japan appeared and there developed a sharp strife between the Leftist and Rightist organizations. Subsequently, however, in consequence of changes which came over social and political conditions, the movement against Marxism became dominant, a fact which is worthy of note.

Again, the changes which came over both domestic and international conditions in recent years have led to the rise of nationalistic ideas. These ideas, unlike the *kokusui* ideas in the Meiji era or the anti-Marxist ideas in the Taishō era, are remarkably nationalistic in conception. Political economy has also been shorn of its individualistic and liberal character of former years and has partaken largely of the nature of nationalism and controlled economy. The principle of social distribution which was formerly held in much regard has given way to that of attaching special importance to production on national lines. It is no wonder that in such circumstances political economy based on the Japanese principle should have made a further development. Such political economy was discussed in its bearings on theory, policy

and history, and, needless to say, many books and articles treating of it were published. In short, the study of political economy on the lines of the Japanese principle have become widespread. Japanese political economy which was born in the previous period passed its infantile stage and has entered on the stage of adolescence with a definite form and a virile spirit, and is now making a more and more vigorous growth.

6. CONCLUDING REMARKS

I have so far reviewed how Japanese political economy was born and has developed. In short, in the Tokugawa Age the Japanese classical learning made a marked growth by way of protest against Chinese ideas and there was also the rise of the study of Dutch learning. In this atmosphere the so-called Japanese political economy gradually germinated. In the imported political economy in the years following the Meiji Restoration, abstract and liberal political economy called forth the rival protectionist political economy which attached much importance to Japan's peculiar national conditions and the ideas of industrial development, and these economic ideas gradually fostered political economy based on the Japanese principle. In the years after the thirtieth year of Meiji (1897) modern political economy came into existence, which was, after all, a re-production of Western political economy by Japanese scholars. Not content with it, Japanese political economy came into being. In the Taishō era Marxist ideas were imported and big changes in the world of thought necessitated by changed domestic and international conditions have brought Japanese political economy into existence.

Where the dominant ideas in each period were such as were incompatible with or even irrelevant to the ideas peculiar to Japan, ideas based on the Japanese principle sprang up vigorously and tried to convert such incongruous

ideas. The oftener such cases occurred, the more vigorous became such a tendency. The same thing may be said of economic ideas. Stimulated by powerful economic ideas in each period, Japanese political economy took embryonic form, was born and attained maturity. In view of the process of the formation of Japanese ideas in the modern age, it is only natural that Japanese political economy has been established.